Peoples' Friendship University of Russia named after Patrice Lumumba

IFRS® Accounting Standards Consolidated Financial Statements and Independent Auditor's Report

31 December 2023

Peoples' Friendship University of Russia
named after Patrice Lumumba

Contents

Technologies of Trust

Joint-Stock Company
"Technologies of Trust – Audit"
("Technologies of Trust – Audit" JSC)

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Independent Auditor's Report

To the Supervisory Board and Management of Peoples' Friendship University of Russia named after Patrice Lumumba:

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Peoples' Friendship University of Russia named after Patrice Lumumba (the "Company") and its subsidiary (together – the "Group") as at 31 December 2023, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our audit of the consolidated financial statements in the Russian Federation. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

27 June 2024

Moscow, Russian Federation

Solovyev Viacheslav Vladimirovich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906105041)

Peoples' Friendship University of Russia
named after Patrice Lumumba
Consolidated Statement of Financial Position
31 December 2023

In thousands of Russian rubles	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	8	27,815,781	27,614,879
Intangible assets	9	166,274	112,914
Investments in associates		4,564	4,469
Other non-current assets		4,083	-
Total non-current assets		**27,990,702**	**27,732,262**
Current assets			
Inventories		236,670	209,770
Accounts receivable	12	658,925	571,433
Current income tax prepayments		39,077	178,746
Financial assets at fair value through profit or loss	11	899,194	703,670
Bank deposits	10	-	2,993,887
Cash and cash equivalents	10	4,886,914	1,364,799
Other current assets	13	15,806	24,033
Total current assets		**6,736,586**	**6,046,338**
TOTAL ASSETS		**34,727,288**	**33,778,600**
EQUITY			
Settlements with the founder	14	24,066,587	24,066,587
Accumulated income		6,183,783	5,899,071
TOTAL EQUITY		**30,250,370**	**29,965,658**
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	23	135,378	83,679
Total non-current liabilities		**135,378**	**83,679**
Current liabilities			
Accounts payable	15	1,084,635	996,805
Contract liabilities with counterparties	16	2,649,762	2,350,087
Deferred income from grants		493,554	315,822
Other taxes payable		104,250	51,539
Other current liabilities	13	9,339	15,010
Total current liabilities		**4,341,540**	**3,729,263**
TOTAL LIABILITIES		**4,476,918**	**3,812,942**
TOTAL EQUITY AND LIABILITIES		**34,727,288**	**33,778,600**

Approved for issue and signed on 27 June 2024

Yastrebov O. A.
Rector

Zorin A.V.
Chief accountant

The accompanying notes form an integral part of these consolidated financial statements

Peoples' Friendship University of Russia
named after Patrice Lumumba
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2023

In thousands of Russian roubles	**Note**	**2023**	**2022**
Revenue from primary activity	17	15,396,667	13,106,911
Income from subsidies	18	1,640,773	1,009,978
Other income	19	265,921	305,942
Total revenue and income		**17,303,361**	**14,422,831**
Salaries, remuneration under civil contracts and relevant contributions	20	(11,626,996)	(9,866,317)
Third party services	21	(2,212,016)	(1,760,862)
Depreciation of property, plant and equipment	8	(1,416,019)	(1,158,776)
Scholarships and transfers to public		(667,679)	(583,539)
Cost of raw materials and consumables used		(500,434)	(319,900)
Taxes and levies	22	(184,229)	(157,392)
Net charge for expected credit losses on receivables	12	(267,565)	(46,103)
Amortisation of intangible assets	9	(65,857)	(44,390)
Other expenses		(252,334)	(261,838)
Total operating expenses		**(17,193,129)**	**(14,199,117)**
Operating profit		**110,232**	**223,714**
Finance income	24	340,573	425,907
Finance costs		-	(46 316)
Foreign exchange translation differences, net	25	401 971	(863)
Share of result of associates		95	226
Profit before income tax		**852,871**	**602,668**
Income tax expense	23	(568,159)	(220,572)
PROFIT FOR THE YEAR		**284,712**	**382,096**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**284,712**	**382,096**

The accompanying notes form an integral part of these consolidated financial statements

In thousands of Russian roubles	**Settlements with the founder**	**Accumulated income**	**Total equity**
Balance at 1 January 2022	**24,066,587**	**5,516,975**	**29,583,562**
Comprehensive income for the year	-	382,096	**382,096**
Total comprehensive loss for 2022	**-**	**382,096**	**382,096**
Balance at 31 December 2022	**24,066,587**	**5,899,071**	**29,965,658**
Comprehensive income for the year	-	284,712	**284,712**
Total comprehensive income for 2023	**-**	**284,712**	**284,712**
Balance at 31 December 2023	**24,066,587**	**6,183,783**	**30,250,370**

Peoples' Friendship University of Russia
named after Patrice Lumumba
Consolidated Statement of Cash Flows
for the year ended 31 December 2023

In thousands of Russian roubles	**Note**	**2023**	**2022**
Cash flows from operating activities			
Profit before income tax		**852,871**	**602,668**
Adjustments for:			
Depreciation of property, plant and equipment	8	1,416,019	1,158,776
Amortisation of intangible assets	9	65,857	44,390
Net charge for expected credit losses on financial assets	12	267,565	46,103
Foreign exchange (income)/expenses	25	(401,971)	863
Interest income	24	(145,049)	(425,907)
Share in results of associates		(95)	(226)
Revaluation of financial assets at fair value through profit or loss		(195,524)	46,316
Operating cash flows before working capital changes		**1,859,673**	**1,472,983**
Increase in accounts receivable, prepayments and other current assets		(296,696)	(209,582)
Increase in inventory		(26,900)	(62,425)
Increase in contract liabilities with counterparties and accounts payable		555,483	681,411
Increase in arrears in settlements with the budget for other taxes and contributions		12,766	584
Changes in working capital		**244,653**	**409,988**
Income taxes paid		(376,791)	(270,261)
Net cash from operating activities		**1,727,535**	**1,612,710**
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,616,922)	(1,268,485)
Bank deposits placed		(171,105)	(4,913,990)
Proceeds from the return of deposits		3,156,580	1,983,272
Acquisition of intangible assets		(119,217)	(75,207)
Interest received		145,049	425,907
Placement of funds on unallocated metal accounts		-	(749,986)
Net cash from / (used in) investing activities		**1,394,385**	**(4,598,489)**
Effect of exchange rate changes on cash and cash equivalents in foreign currency		**400,195**	**(68,016)**
Changes on cash and cash equivalents		**3,522,115**	**(3,053,795)**
Cash and cash equivalents at the beginning of the year	10	**1,364,799**	**4,418,594**
Cash and cash equivalents at the end of the year	10	**4,886,914**	**1,364,799**

1 The University and its Operations

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards for the year ended 31 December 2023 for the Peoples' Friendship University of Russia named after Patrice Lumumba ("RUDN") as well as for the non-commercial specialised organisation Endowment Fund (hereinafter collectively referred to as the "Group" or "University").

RUDN was established under the USSR Government Resolution in 1960. Under the Russian President's Decree of 12 March 2012, the University was entitled to independently develop and implement its own higher education programmes. RUDN is a unitary not-for-profit entity established to achieve educational, scientific, social and cultural goals. The founder of RUDN University is the Russian Federation. The founder's powers and authority are exercised by the Ministry of Science and Higher Education of the Russian Federation.

Principal activity. The University implements educational programmes in higher and secondary vocational education programmes, and additional general education and professional programmes, and engages in fundamental and applied scientific research. The University provides education to develop professionals in healthcare, economy, philology, law and other areas.

RUDN is the base institution for the CIS Network University and coordinator of the SCO Network University. It is part of the Venice Consortium of Higher Education Universities programme and is actively involved in establishing and developing the BRICS Network University.

Priority 2030 Programme. The Priority 2030 Programme, replacing the Project 5-100 Competitiveness Programme, has become the largest ever government project to support the development of Russian universities. The goal of the Priority 2030 Programme is to put together a broad group of universities that will become leaders in creating new scientific knowledge, technologies and research findings and applications for implementation in the Russian economy and social sphere.

Despite its exclusion from the Priority 2030 Programme at the end of 2023, RUDN has adjusted its development programme to 2033 according to the comments of the Russian Ministry of Science and Higher Education's Commission and continued implementing measures aimed at achievement of the University's target model, which includes:

1. *International education and cultural diversity:*

- Enhancing the status of an international university by attracting talented students from different countries and providing quality education to them;
- Creating multicultural environment in the University to promote mutual understanding and friendship between the students of different cultures;
- Developing educational programmes that promote understanding and respect for cultural diversity.

2. *Research and development and innovation:*

- Creating advanced research labs and innovation teams to address the pressing problems of the countries of admission.
- Developing the R&D infrastructure facilitating digital transformation of the economy and social sphere.

3. *Global partnership and international cooperation:*

- Developing international R&D networks and collaboration with scholars and scientists from various countries;
- Participating in the global projects aimed at addressing global challenges;

1 The University and its Operations (Continued)

– Facilitating export of Russian technologies to the rapidly developing economies in Africa, Asia and Latin America using RUDN's and its alumni's resources.

4. *Building a system of sustainable presence of Russian universities in the priority regions of the word:*

– Expanding the promotion technologies to go into foreign countries: from sets of local regulations to the university communication strategy for entering new markets;

– Implementing organisational and technology solutions to ensure quality of pre-university training for foreign applicants: RUDN's digital pre-university course, inter-university resource centre of competence and adaptive educational pre-course IT modules.

5. *Digital transformation and innovative educational technologies:*

– Implementing digital technologies in the basic and pass-through processes to improve their efficiency;

– Developing flexible and adaptive educational programmes that meet the requirements of digital economy.

6. *Social responsibility and sustainability:*

– Working to ensure the University's social responsibility to students, employees, and public in general;

– Implementing sustainability practices in educational and R&D processes at all levels;

– Implementing R&D projects combining resources of Russian and foreign scholars and scientists, industry partners and governmental bodies to achieve the SDGs.

7. *Enhancing affordability of education and knowledge:*

– Implementing programmes for the population of different countries, including through the development of e-learning and open online courses;

– Ensuring quality of education adapted to the needs of the modern global labour market and providing internship and traineeship opportunities for students with companies and organisations, which are the leaders of the national markets.

RUDN's development programme also includes two strategic projects:

Agroproryv (agricultural breakthrough) is the project aiming to enhance Russia's positions in the global agriculture market and develop agricultural science and technology and biotech's potential. The objective of Agroproryv JV is to facilitate export of Russian agriculture produce to the African or other countries where RUDN has its presence and expand markets for Russian farming enterprises through developing adapted technology solutions, training specialists and enhancing partner relationships.

Building a system of sustainable presence of Russian universities in the priority regions of the word. The project is focused on increasing the number of foreign students in Russian universities by building a system of sustainable presence of Russian universities and spreading out the Russian education model in the priority regions of the world.

The project is a response to the challenges exporters of Russian education face:

– no consolidation of efforts between the universities' international taskforces in promoting educational programmes and projects to overseas markets;

– insufficient proficiency of foreign applicants in the Russian language and a lack of knowledge in relevant fields at the pre-university stage.

1 The University and its Operations (Continued)

As of 31 December 2023, the University had one branch in the Russian Federation: RUDN Sochi Institute (Branch) (31 December 2022: one branch) and one representative office in the Republic of Uzbekistan (31 December 2022: one representative office). As of 31 December 2023 and 31 December 2022, the representative in the Republic of Uzbekistan did not perform any activity.

On 13 January 2022, a non-commercial specialised organisation Endowment Fund of RUDN (RUDN University Endowment Fund) was created. RUDN is the only founder of the Fund. The main goal of the fund is to create endowment capital to allocate income from the endowment capital to the development of RUDN to be used in education, science, healthcare, culture, art, physical culture, sports, and social care. The Board of the Fund (supreme collegiate governing body) and the Executive Director (sole executive body) are its governing bodies, the Board of Trustees is a collegial supervisory body. In 2023, the Fund's activities did not have a significant impact on the consolidated financial statements.

The University has investments in associates with an interest of 10%-35.7%. The number of associates as of 31 December 2023 totalled eight entities (31 December 2022: eight entities). Investments in associates are made to commercialise the University's R&D work. The University contributes rights to use intellectual property, for which the University has exclusive rights, to obtain equity interests in associates.

	31 December 2023	**31 December 2022**
VETF LLC	35.7%	35.7%
BCEC LLC	35.0%	35.0%
ECTPE LLC	25.0%	25.0%
NIILAB Hybrid and Aesthetic Surgery LLC	25.0%	25.0%
Innovatika LLC	25.0%	25.0%
Innovative management systems LLC	25.0%	25.0%
RUDN IAQ LLC	10.0%	10.0%
CDT RUDN LLC	10.0%	10.0%

Registered and actual address: 6 Miklukho-Maklaya str., Moscow, 119049 Russian Federation.

2 Operating Environment of the University

Despite the steady demand for the specialists trained by the University and its scientific activities, the future economic development of the Russian Federation is dependent upon external factors and internal measures undertaken by the Russian Government to sustain growth, and to make amendments to the tax, legal and regulatory environment.

The University management believes that it is taking all necessary measures to support sustainability and development of RUDN in the current economic environment, and government initiatives make the management confident in the University's mid-term and long-term development prospects.

The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. The Russian economy continues to be negatively impacted by ongoing political tension and sanctions imposed by a number of countries against certain sectors of the Russian economy, Russian companies and individuals.

In 2023, there remains significant geopolitical tension which was developing since February 2022 with the situation with Ukraine. Sanctions and restrictions for multiple Russian entities, including removing access to the Euro and USD markets, the international SWIFT system, and many others, have been imposed and continue being introduced. A number of multinational groups suspended or terminated their business activity in the Russian Federation. In December 2022, the EU and several non-EU countries have introduced a price ceiling for supplies of Russian oil.

2 Operating Environment of the University (Continued)

The ceiling price has been set at USD 60 per barrel and will be subsequently reviewed on a regular basis. In addition, in December 2022, the EU imposed an embargo on sea supplies of Russian oil. In February 2023, a price ceiling for supplies of Russian gas and an embargo on Russian oil products was introduced. Despite recovery in trading volumes the financial and commodity markets continue to demonstrate instability. In 2023, foreign currency exchange rates against the rouble significantly increased compared to the rates as at 31 December 2022. On 24 July 2023, the Bank of Russia increased the key rate from 7.5% to 8.5%, on 15 August 2023 – from 8.5% to 12%, on 18 September 2023 – from 12% to 13%, on 30 October 2023 – from 13% to 15%, on 18 December 2023 – from 15% to 16%. There is an expectation of further sanctions and limitations on foreign business activity affecting companies operating in the Russian Federation, as well as further negative consequences for the Russian economy in general, but the full extent and scale of possible effects of these are unknown. It is not possible to determine how long this increased volatility will last or at what level the above financial indicators will eventually level out.

The future effects of the current economic situation and the above measures are difficult to predict and management's current expectations and estimates could differ from actual results.

The University management is taking necessary measures to ensure sustainability of the University's operations and provide support to its students, postgraduates, employees and customers, such as:

- expanding the capabilities of digital services;
- receiving government grants;
- providing distance learning for students and postgraduates.

3 Material Accounting Policy Information

Basis of preparation. These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("Accounting Standards") under the historical cost convention, except for property, plant and equipment recognised at deemed cost as at 1 January 2020 and financial instruments measured at fair value through profit or loss ("FVTPL"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented in the consolidated financial statements.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6.

Consolidated financial statements. Subsidiaries are those investees that the University controls because the University (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount its returns.

The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the University has power over another entity. For a right to be substantive, the University must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The University may have power over an investee even when it holds less than the majority of the voting power in an investee. In such a case the University should assess the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of the investee's activities or apply only in exceptional circumstances, do not prevent the University from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the University (acquisition date) and are deconsolidated from the date on which control ceases.

3 Material Accounting Policy Information (Continued)

Intercompany transactions, balances and unrealised gains on transactions between the University and its subsidiaries are eliminated; unrealised losses are also eliminated, unless the cost cannot be recovered. The University and all of its subsidiaries use uniform accounting policies consistent with the University's policies.

Foreign currency translation. The functional currency of the University is the currency of the primary economic environment in which it operates. The functional currency of the University and its presentation currency, is the national currency of the Russian Federation, Russian roubles ("RR"). The consolidated financial statements are presented in Russian roubles ("RR"), which is the University's presentation currency.

Transactions and balances. Monetary assets and liabilities are translated into functional currency at the official exchange rate of the Central Bank of the Russian Federation (CBRF) at the respective end of the reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions in foreign currency and from the translation of monetary assets and liabilities into the functional currency at year-end official exchange rates of the CBRF are recognised in profit or loss for the year. Foreign exchange gains and losses that relate to cash and cash equivalents, as well as other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within foreign exchange translation differences, net. Translation at year-end rates does not apply to non-monetary items that are measured at historical cost. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined. Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

At 31 December 2023, the principal rate of exchange used for translating foreign currency balances was USD 1 = RR 89.6883, CNY 1 = RR 12.5762, EUR 1 = RR 99.1919 (31 December 2022: USD 1 = RR 70.3375, CNY 1 = RR 9.8949, EUR 1 = RR 75.6553).

Associates. Associates are entities over which the University has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Dividends received from associates reduce the carrying value of the investment in associates.

Other post-acquisition changes in University's share of net assets of an associate are recognised as follows: (i) the University's share of profits or losses of associates is recorded in the profit or loss for the year as the share of results of associates, (ii) the University's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii) all other changes in the University's share of the carrying value of net assets of associates are recognised in profit or loss within the share of results of associates.

However, when the University's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the University does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the University and its associates are eliminated to the extent of the University's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Property, plant and equipment. All property, plant and equipment of the University are divided into (a) property, plant and equipment under operational management, and (b) other property, plant and equipment, in respect of which there are no restrictions compared to the property, plant and equipment under operational management.

An item of property, plant and equipment should be recognised within assets only if: (a) it is probable that the University will receive future economic benefits or service potential associated with this asset, and (b) the asset's cost or fair value can be reliably estimated.

3 Material Accounting Policy Information (Continued)

Property, plant and equipment under operational management include immovable property, land in perpetual use, construction in progress and highly valuable property (HVP). Highly valuable movable property is movable property that is acquired at the expense of the government funding sources and the value of which is more than RR 500 thousand. The University operates property, plant and equipment within limits set by the legislation of the Russian Federation and pursuant to its goals, the property's intended use and upon consent of the owner of the property.

In accordance with Federal Law No. 174-FZ of 3 November 2006 "On Autonomous Institutions", the owner of the property is the Russian Federation. Under Article 296 of the Russian Civil Code, the property owner can remove any excessive, unused or inappropriately used property assigned to the University or acquired by the University using funds provided by the owner to purchase the property. The owner of the property removed from the University can dispose of such property at its discretion. The property owner is not liable for the obligations of the University.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, where required. Property, plant and equipment includes assets under construction for future use as property, plant and equipment. The University's construction in progress includes but is not limited to assets under construction financed under the Russian Federal Targeted Investment Programme (FTIP).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items are capitalised and the replaced part is retired.

At the end of each reporting period the University's management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, the University's management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs of disposal and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed where appropriate if there has been a change in the estimates used to determine the asset's value in use or fair value less costs of disposal.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss for the year within other gains/(losses).

Depreciation. Land is not depreciated.

Depreciation of other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

	Useful lives (in years)
Residential and non-residential buildings	10-99
Plant and equipment	2-25
Production tools	2-25
Structures	2-80
Motor vehicles	5-11

The residual value of an asset is the estimated amount that the University would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

3 Material Accounting Policy Information (Continued)

Intangible assets. An intangible asset shall be recognised only when: (a) it is probable that the University will receive future economic benefits or service potential associated with this asset, and (b) the cost or fair value of the item can be measured reliably. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring them to use. Intangible assets resulting from scientific research are not subject to recognition. Costs incurred during the research and development stage are expensed as incurred.

The intangible asset, which is the result of development and design work, shall be recognised only when the University can demonstrate that all of the following conditions are met: (a) bringing the asset to a state suitable for operation or sale is technically feasible; (b) there is an intention to complete the asset's development and operate or sell it; (c) the intangible asset can be used or sold; (d) it is proved and explained how the asset will generate future economic benefits or value in use; (e) technical, financial and other resources are available to complete the development work, use or sell the intangible asset; and (f) any costs attributable to the intangible asset that were incurred in the course of its development can be reliably measured.

The patents, software products, know-how and websites developed by the University are capitalised in the amount of expenses incurred since the intangible asset first met the above criteria. The cost of intangible assets developed by the University includes all direct expenses incurred to develop, produce and prepare the asset for use per management's intentions. Any costs previously recognised as expenses are not included in the cost of intangible assets.

All the intangible assets of the University have limited useful lives. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised using the straight-line method over their useful lives:

	Useful lives (in years)
Websites	2-7
Licences	1-3
Other intangible assets	2-10

Amortisation starts once the asset is ready for use, i.e., when its location and condition make it possible to use the asset in accordance with management intentions. Amortisation charges are recognised in profit or loss for the period. The University derecognises intangible assets from assets upon disposal or when no future economic benefits or service potential are expected from its use or disposal. The financial result arising on derecognition of intangible assets (defined as the difference between net proceeds from disposal and the carrying amount of the asset) is recorded in profit or loss for the reporting period.

Impairment of non-financial assets. Intangible assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairment of non-financial assets is reviewed for possible reversal at each reporting date.

Financial instruments – key measurement terms. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the University. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

3 Material Accounting Policy Information (Continued)

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. Refer to Note 29.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses("ECL"). Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the consolidated statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying value. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e., it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Financial instruments – initial recognition. Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

3 Material Accounting Policy Information (Continued)

Financial assets – classification and subsequent measurement – measurement categories. The University classifies financial assets in the following measurement categories: FVTPL and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the University's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business-model. The business model reflects how the University manages the assets in order to generate cash flows – whether the University's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the University undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the University in determining the business model include the past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed. Refer to Note 6 for critical judgements applied by the University in determining the business models for its financial assets.

Financial assets – classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the University assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the University considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed. Refer to Note 6 for critical judgements applied by the University in performing the SPPI test for its financial assets.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model.

Financial assets impairment – credit loss allowance for ECL. The University assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and for the exposures arising from loan commitments and financial guarantee contracts. The University measures ECL and recognises ECL allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position.

The University applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12-Months ECL"). If the University identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 26 for a description of how the University determines when a SICR has occurred. If the University determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. Explanations regarding the University's determination of impaired assets and default are provided in Note 26.

3 Material Accounting Policy Information (Continued)

For financial assets that are purchased or originated credit impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL. Note 26 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the University incorporates forward-looking information in the ECL models.

Financial assets – derecognition. The University derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the University has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial assets – modification. The University sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The University assesses whether the modification of contractual cash flows is substantial.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the University derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The University also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to settlements with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the University compares the original and revised expected cash flows to assess whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The University recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets), and recognises a modification gain or loss in profit or loss.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC.

Financial liabilities – derecognition. Financial liabilities are derecognised when they are extinguished (i.e., when the obligation specified in the contract is discharged, cancelled or expires).

Offsetting financial instruments. Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL. Restricted balances are excluded from cash and cash equivalents.

Trade and other receivables. Trade and other receivables are recognised initially at fair value and are subsequently carried at AC using the effective interest method.

3 Material Accounting Policy Information (Continued)

Trade and other payables. Trade and other payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at AC using the effective interest method.

Operating lease. Where the University is a lessor in a lease which does not transfers substantially all the risks and rewards incidental to ownership to the lessee (i.e., operating lease), lease payments from operating leases are recognised as other income on a straight-line basis.

Income taxes. Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Article 251 "Income Not Treated as Deductible for Tax Purposes" (Chapter 25) of the Russian Tax Code provides that entities should not include special-purpose receipts in their tax base calculations (except for special-purpose receipts in the form of excisable goods). They include special-purpose receipts designated to fund non-commercial organisations and support their statutory activities that were provided gratuitously based on decisions by government agencies, local authorities and management bodies of state non-government funds, as well as special-purpose receipts from other organisations and/ or individuals and used by the recipients for the purpose intended. The taxpayers acting as recipients of the above special-purpose receipts are required to maintain separate accounting for income (expenses) received (incurred) as part of the special-purpose receipts. The University met these requirements during the reporting period. Income tax for 2023 and 2022 was assessed on income from the fee-based educational, research and other services. The income tax charge / credit comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in equity because it relates to transactions that are also recognised, in the same or a different period, in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Given that the larger part of the University's income and expenses is not included in income tax calculations, the tax base is determined for the assets and liabilities used in taxable activities. If any assets or liabilities are used both in taxable and tax-exempt activities, their tax base approximates the carrying amount shown in the consolidated financial statements, as it is difficult to reliably estimate the percentage of the asset or liability to be used in the taxable activity, unless such assets or liabilities are directly attributable to a taxable activity.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

3 Material Accounting Policy Information (Continued)

Uncertain income tax positions The University's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on the University management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions, other than interest and fines, are recorded within the income tax charge. Adjustments for uncertain income tax positions in respect of interest and fines are recorded within finance costs and other gains/(losses), net, respectively.

Value added tax. Output value added tax related to sales is payable to tax authorities on the earlier of: (a) collection of receivables from customers or (b) delivery (transfer) of the goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a gross basis and disclosed separately as an asset and a liability. Where ECL allowance has been made for impairment of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT, if applicable.

Inventories. Inventories are recorded at the lower of cost and net realisable value. The cost of inventory is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to sell.

Provisions for liabilities and charges. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the University has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the obligation. An increase in the provision over time is recognised as an interest expense.

Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment.

Where the University expects partial or full recovery of the provision, for example under an insurance contract, the recovery is recognised as a separate asset but only when the recovery is virtually certain. The expense relating to the provision is recognised in the consolidated statement of profit or loss and other comprehensive income, net of any recovery.

Recognition of revenues from primary activity. Revenue is income arising in the course of the University's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the University expects to be entitled in exchange for transferring control over promised services to a customer, excluding the amounts collected on behalf of third parties.

The educational activity is financed by government grants and tuition fees paid by individuals and legal entities.

Revenue from educational services financed by the state. The amount of grants allocated by the government for the provision of educational services depends on the name and quantity of public services and standard costs to provide public services by price groups of major qualifications and areas of training. Revenues from educational services are recognised based on agreements signed with the Ministry of Science and Higher Education of the Russian Federation. Revenues are calculated based on the fair value of the consideration received or receivable.

3 Material Accounting Policy Information (Continued)

Revenue from the general and additional educational services provided on a fee basis. Revenues from fee-based educational services are recognised on a monthly basis, pro rata to the time of training in the reporting period, when the service was rendered. For the most of education programmes, the period of studies is equal to 10 months in one calendar year. Revenues are measured based on the fair value of the consideration received or receivable. Transactions for which an uncertainty arises about the probability of the economic benefit inflow, for example, when overdue receivables exceed two semesters (or 360 days), revenue is recognised in the period when consideration for such services or any other reimbursement is received.

Revenue from research and development services. Research and development work is performed under both public contracts and agreements signed with various ministries, government agencies and commercial organisations. Research and development services provided within the framework of a public contract are focused on the areas of science aligned with the priority outlines for science and technology development approved by the Russian Federation. Revenues from research and development services are recognised in the reporting period, in which the services are rendered, by reference to the stage of completion of such transaction assessed on the basis of actual services provided, as a proportion of the total scope of services to be provided under the agreement.

The proportion of services rendered is calculated by reference to the proportion of actual costs incurred under the agreement to total costs under the agreement. Revenues are shown net of VAT. Revenues are measured based on the fair value of the consideration received or receivable.

Compensation of expenses incurred by the University to provide conditions for implementing projects related to grants from the Russian Foundation for Basic Research (RFBR) (hereinafter referred to as the "Foundation"). The University is a party to a trilateral agreement between the Foundation, the University and the grant recipient. The Foundation acts as a client under the trilateral agreement, and the recipient of the grant acts as a contractor. The University assists in the implementation of the project, effects payments under instructions from the recipient of the grant, and signs contracts with third parties. The trilateral agreement provides that the recipient of the grant can dispose of the cash (grant) credited to the University's account, including receiving all or part of funds as transfers to his or her own account or in cash (depending on the entity's ability), instructing the University to sign contracts for supply of equipment, provision of services and performance of work with third parties and make relevant payments from the grant. The recipient of the grant reimburses the University's overhead expenses of no more than ten percent of the grant amount. Thus, the University recognises income gained and expenses incurred to provide finance to the Foundation grant recipient, on a net basis, and records revenue in the amount of expenses to be reimbursed to the University within other revenue.

Other services. The University provides the following other services for a fee:

- additional accommodation in dormitories;
- medical services;
- other types of services.

Revenues from other fee-based services are recognised in the reporting period in which the services were rendered, by reference to the stage of completion of such transaction assessed on the basis of actual services provided, as a proportion of the total scope of services to be under the agreement. Revenues are shown net of VAT. Revenues are measured based on the fair value of the consideration received or receivable.

Financing components. The University does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the University does not adjust any of the transaction prices for time value of money.

Grants

Grants for acquisition of property, plant and equipment and major repairs. Budget appropriations under FTIP represent federal budget funds allocated for budgetary investments under the rules of making capital investments into the state-owned property of the Russian Federation under the Federal Targeted Investment Programme (FTIP).

3 Material Accounting Policy Information (Continued)

The budget appropriations are intended for investing in construction of new facilities, expansion, renovation and upgrade of the existing buildings and structures, purchase of machines, equipment, tools, fixtures, research and development and other expenses. The budget appropriations are recognised as income in the consolidated statement of profit or loss and other comprehensive income in the amount of costs incurred and capitalised during the reporting period.

Grants and donations for scholarships. The budgetary funds received in the form of a subsidy for student scholarships, and other payments from budgets of all levels (including budgetary funding for fulfilling public obligations) or from legal entities that are subsequently allocated to payments to students, are recognised within revenues when the University accrues scholarships and other benefits to students. Personal scholarships are fully treated as revenue for the period.

Donations for activities prescribed by the Charter and development of the University. To carry out its activities prescribed by the Charter, the University receives voluntary donations from legal entities and individuals, and grants from the budget of Moscow city. Donations are allocated to support the University's operations and development, carry out the educational process, and improve the material and technical base.

The voluntary donations received by the University during the reporting period are used in accordance with their contractual purposes and recognised within revenue for the period as follows:

- when assets' transfer conditions require that the University either uses future economic benefits or service potential associated with the assets in due course, or returns them to the giving party if the conditions are not met, then revenues are recognised when the conditions are satisfied;
- when no conditions are prescribed for the assets' transfer, the University recognises income when control over the asset is originally established.

Recognition of other income

Property leased out. Rental income is recognised on a monthly basis and calculated based on the amount of the rent stipulated by the lease contract and the number of days that the leased-out premises are used in the reporting month. Compensation for utilities received from lessees is also recognised as other income.

Employee benefits. Wages, salaries, contributions to the Russian Social Fund (up to 1 January 2023, to the Russian Federation State Pension and Social Insurance Funds), paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and kindergarten services) are accrued in the year in which the associated services are rendered by the employees of employees the University. The University has no legal or constructive obligations to pay pensions or similar post-retirement benefits.

Interest income. Interest income and expense are recorded for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income, all fee received between the parties to the contract that are an integral part of the effective interest rate, all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the University relating to the creation or acquisition of a financial asset, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents.

For financial assets that are originated or purchased credit impaired, the effective interest rate is the rate that discounts the expected cash flows (including the initial expected credit losses) to the fair value on initial recognition (normally represented by the purchase price). As a result, the effective interest is credit-adjusted.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for (i) financial assets that have become credit impaired (Stage 3), for which interest revenue is calculated by applying the effective interest rate to their AC, net of the ECL allowance, and (ii) financial assets that are purchased or originated credit impaired, for which the original credit-adjusted effective interest rate is applied to the AC.

3 Material Accounting Policy Information (Continued)

Contingent liabilities. The University does not recognise contingent liabilities, unless the likelihood of the outflow of resources is remote, but discloses the nature of contingent liabilities and, when feasible, an assessment of its impact on the financial indicators, the uncertainties relating to the amount or time of settlement and the probability of recovery as at the reporting date in the notes to the consolidated financial statements for each category of contingent liabilities.

Contingent assets. The University does not recognise contingent assets but discloses information on contingent assets in the notes to the consolidated financial statements, when it is probable that the entity will receive future economic benefits or value in use associated with the asset. Contingent assets are periodically reviewed to ensure that relevant changes are appropriately reflected in the consolidated financial statements. If it is practically guaranteed that future economic benefits will be received or value in use will be created, and an asset can be reliably estimated, then the asset and respective income are recognised in the consolidated financial statements in the period when the change took place.

Amendment of the consolidated financial statements after issue. Any changes to these consolidated financial statements after issue require approval of the University's management who authorised these consolidated financial statements for issue.

4 Adoption of New or Revised Standards and Interpretations

IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021, the effective date subsequently modified to 1 January 2023 by the Amendments to IFRS 17 as discussed below). IFRS 17 replaces IFRS 4, which has given companies dispensation to carry on accounting for insurance contracts using existing practices. As a consequence, it was difficult for investors to compare and contrast the financial performance of otherwise similar insurance companies. IFRS 17 is a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. An entity defines insurance contracts as the contracts under which it accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Certain embedded derivatives, distinct investment components and distinct performance obligations shall be separated from the host insurance contract. Insurance contracts shall be disaggregated into groups to which IFRS 17 requirements are applied in terms of recognition and measurement. A group of contracts may include one contract. The standard requires recognition and measurement of groups of insurance contracts at: (i) a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset) (ii) an amount representing the unearned profit in the group of contracts (the contractual service margin). Entities will be recognising the profit from a group of insurance contracts over the period they provide insurance coverage, and as they are released from risk. If a group of contracts is or becomes loss-making, an entity will be recognising the loss immediately. Revenue from insurance contracts, insurance service expenses and finance income and expenses on insurance contracts are presented separately. Entities shall disclose qualitative and quantitative information about the amounts recognised in their financial statements for insurance contracts, any significant judgements, and changes in those judgements, made when applying the standard, the nature and extent of the risks arising from insurance contracts within the scope of IFRS 17.

Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023). The amendments include a number of clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and transition. These amendments are not intended to change the fundamental principles of the standard. The following amendments to IFRS 17 were made:

- Effective date: The effective date of IFRS 17 (incorporating the amendments) has been deferred by two years to annual reporting periods beginning on or after 1 January 2023; and the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 has also been deferred to annual reporting periods beginning on or after 1 January 2023.

4 Adoption of New or Revised Standards and Interpretations (Continued)

- Expected recovery of insurance acquisition cash flows: An entity is required to allocate part of the acquisition costs to related expected contract renewals, and to recognise those costs as an asset until the entity recognises the contract renewals. Entities are required to assess the recoverability of the asset at each reporting date, and to provide specific information about the asset in the notes to the financial statements.
- Contractual service margin attributable to investment services: Coverage units should be identified, considering the quantity of benefits and expected period of both insurance coverage and investment services, for contracts under the variable fee approach and for other contracts with an 'investment-return service' under the general model. Costs related to investment activities should be included as cash flows within the boundary of an insurance contract, to the extent that the entity performs such activities to enhance benefits from insurance coverage for the policyholder.
- Reinsurance contracts held – recovery of losses: When an entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or on addition of onerous underlying contracts to a group, an entity should adjust the contractual service margin of a related group of reinsurance contracts held and recognise a gain on the reinsurance contracts held. The amount of the loss recovered from a reinsurance contract held is determined by multiplying the loss recognised on underlying insurance contracts and the percentage of claims on underlying insurance contracts that the entity expects to recover from the reinsurance contract held. This requirement would apply only when the reinsurance contract held is recognised before or at the same time as the loss is recognised on the underlying insurance contracts.
- Other amendments: Other amendments include scope exclusions for some credit card (or similar) contracts, and some loan contracts; presentation of insurance contract assets and liabilities in the statement of financial position in portfolios instead of groups; applicability of the risk mitigation option when mitigating financial risks using reinsurance contracts held and non-derivative financial instruments at fair value through profit or loss; an accounting policy choice to change the estimates made in previous interim financial statements when applying IFRS 17; inclusion of income tax payments and receipts that are specifically chargeable to the policyholder under the terms of an insurance contract in the fulfilment cash flows; and selected transition reliefs and other minor amendments.

Transition option to insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023). The amendment to the transition requirements in IFRS 17 provides insurers with an option aimed at improving the usefulness of information to investors on initial application of IFRS 17. The amendment relates to insurers' transition to IFRS 17 only and does not affect any other requirements in IFRS 17. The transition requirements in IFRS 17 and IFRS 9 apply at different dates and will result in the following one-time classification differences in the comparative information presented on initial application of IFRS 17: accounting mismatches between insurance contract liabilities measured at current value and any related financial assets measured at amortised cost; and if an entity chooses to restate comparative information for IFRS 9, classification differences between financial assets derecognised in the comparative period (to which IFRS 9 will not apply) and other financial assets (to which IFRS 9 will apply). The amendment will help insurers to avoid these temporary accounting mismatches and, therefore, will improve the usefulness of comparative information for investors. It does so by providing insurers with an option for the presentation of comparative information about financial assets. When initially applying IFRS 17, entities would, for the purpose of presenting comparative information, be permitted to apply a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information. The transition option would be available, on an instrument-by-instrument basis; allow an entity to present comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but not require an entity to apply the impairment requirements of IFRS 9; and require an entity that applies the classification overlay to a financial asset to use reasonable and supportable information available at the transition date to determine how the entity expects that financial asset to be classified applying IFRS 9.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information.

4 Adoption of New or Revised Standards and Interpretations (Continued)

The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12 specify how to account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which both an asset and a liability are recognised. The amendments clarify that the exemption does not apply and that entities are required to recognise deferred tax on such transactions. The amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

5 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2024, and which the University has not early adopted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB). These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. The University is currently assessing the impact of the amendments on its consolidated financial statements.

Lack of Exchangeability – Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025). IAS 21 was amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The previously existing requirement to use the first subsequent rate at which exchange could be made, if the exchangeability between two currencies was temporarily lacking, has been withdrawn. When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The objective of estimating the spot exchange rate at a measurement date is to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions. The amendments to IAS 21 set out a framework under which an entity can assess whether a currency is exchangeable into the other currency at the measurement date for the specified purpose and estimate the spot exchange rate at the measurement date when a currency is not exchangeable. The entity can determine the spot exchange rate at the measurement date using an observable exchange rate without adjustment or another estimation technique. The amendments also include new disclosure requirements to enable users to understand the effects, risks and estimated rates and techniques used when a currency is not exchangeable. When an entity first applies the new requirements, it is not permitted to restate comparative information.

5 New Accounting Pronouncements (Continued)

Instead, the entity is required to translate the affected foreign currency monetary items and non-monetary items measured at fair value in a foreign currency at the estimated spot exchange rate at the date of initial application and recognize any effect as an adjustment to the opening balance of retained earnings if there is lack of exchangeability between the functional and the foreign currency. The entity is required to translate affected assets and liabilities using the estimated spot exchange rate at the date of initial application and recognize any effect as an adjustment to the cumulative amount of translation differences accumulated in a separate component of equity if there is lack of exchangeability between the functional and the presentation currency. The University is currently assessing the impact of the amendments on its consolidated financial statements.

IFRS 18 "Presentation and Disclosure in Financial Statements" (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). IFRS 18 replaces IAS 1. It carries forward many requirements from IAS 1 unchanged. IFRS 18 introduces three defined categories for income and expenses—operating, investing and financing—and requires all companies to provide new defined subtotals, including operating profit and profit before finance income and costs and income taxes.

When alternative performance measures or non-GAAP measures are reported and these measures meet the definition of management-defined performance measures (MPMs), IFRS 18 requires to disclose reconciliations between these measures and subtotals listed in IFRS 18 or totals or subtotals required by IFRS Accounting Standards. MPMs are subtotals of income and expenses used in public communications to communicate management's view of an aspect of the financial performance for the company as a whole.

IFRS 18 sets out requirements to determine whether information about items should be in the primary financial statements or in the notes and provides principles for grouping and determining the level of detail needed for the information (aggregation and disaggregation). IFRS 18 also includes requirements for the presentation of operating expenses in the statement of profit or loss, disclosure of specified expenses by nature, and further information on items grouped together and labelled 'other'. The University is currently assessing the impact of the amendments on its consolidated financial statements.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the University's consolidated financial statements.

6 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The University makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The University's management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Property under operational management and land plots under unlimited use. To enable the University to perform its core activity, the Russian Federation has entitled the University to manage the property and use the land plots in perpetuity. Operational management gives the University a right to hold (use) immovable property and highly valuable movable property ("HVP") without a right to dispose of it. The right of full disposal of immovable property and HVP (including their withdrawal) is retained by the Russian Federation. The Russian Federation can dispose of any property withdrawn from the University at its discretion. The owner of property has never withdrawn the property in practice; as of the reporting date, the University does not have a list of assets approved by the founder, which are subject to withdrawal.

6 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

The University operates under public contracts for research and education services and does not expect any reduction in the volumes of its activity. Therefore, the University does not expect that the property will be withdrawn by the Russian Federation. The property and land plots have a potential benefit for the University in performing its statutory activities. Since the University controls the future potential benefit from the use of the property and land plots, it would be reasonable to recognise the property under operational management and the land plots used in perpetuity as assets.

Recognition of settlements with the founder in a separate line item "Settlements with the founder" in the consolidated the statement of financial position. Settlements with the founder include the value of immovable property, highly valuable movable property, land plots used in perpetuity and construction in progress transferred by the Russian Federation to the University to perform its core activity provided in its Charter.

Useful lives of property, plant and equipment. The estimation of the useful lives of items of property, plant and equipment is a matter of judgement based on the experience with similar assets. The future economic benefits or value in use embodied in the assets are consumed principally through their use. However, other factors, such as technical obsolescence and wear and tear of equipment, often result in the diminution in value of the economic benefits embodied in the assets.

The University's management estimates the remaining useful lives of property, plant and equipment based on the current technical condition of the assets and estimated period during which the assets are expected to generate benefits or value in use for the University.

The following primary factors are considered:

a) expected period of assets' use;

b) expected physical wear and tear, which depends on operational factors and maintenance programme;

c) obsolescence of equipment from the technology perspective.

Were the estimated useful lives to differ by 10% from management's estimates, the impact on depreciation for the year ended 31 December 2023 would be to increase it by RR 98,957 thousand or decrease it by RR 187,830 thousand (2022: increase by RR 66,840 thousand or decrease by RR 150,220 thousand).

ECL measurement. Measurement of ECLs is a significant estimate that involves measurement methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 26.

For receivables from legal entities, the University assesses whether there is objective evidence of impairment on an individual basis.

For receivables from individuals, the University assesses whether there is objective evidence of impairment for individually significant amounts, and then collectively for the amounts receivable that are not individually significant.

In determining the amount of ECL allowance, the University's management considers the age of receivables and collectability of the debt.

ECL allowance is made for 100% of doubtful receivables which are more than 360 days past due.

6 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

Recognition of income and expenses on grants without a commercial component. The University earns income from subsidies provided in the form of grants (RFBR, RSF) without a commercial component. The University initially recognises these subsidies within deferred income from grants. The University acts as a principal under the agreements on subsidies provided in the form of grants because under the agreements funds are allocated to the University to carry out projects and research. Since grants can be provided at any time during the reporting period (not only at the beginning of the year) and for more than one year, income is recognised as expenses to be compensated for by the grants as incurred in the amount of actual costs. Costs actually incurred during one period are expensed in the reporting period. The University recognises income from grants within income from grants in the statement profit or loss and other comprehensive income. The University is aware of the conditions and procedure for recognising expenses relating to grants, therefore, they are reasonably certain that they will receive income from the grant.

Deferred income tax asset recognition. The recognised deferred tax assets represent income taxes recoverable through future deductions from taxable profits and are recorded in the consolidated statement of financial position. Deferred income tax assets are recognised to the extent that realisation of the related tax deduction is probable. This includes temporary differences expected to reverse in the future and the availability of sufficient future taxable profit against which the deductions can be utilised. Future taxable profits and the amount of tax deductions that are probable in the future are estimated based on the business plan prepared by the University's management and its extrapolated results. The business plan is based on management's expectations that are believed to be reasonable under the circumstances.

Tax legislation. Russian tax, currency and customs legislation is subject to varying interpretations. Refer to Note 27.

7 Balances and Transactions with Related Parties

Parties are generally considered to be related if they are under common control or if one party has the ability to control the other or can exercise significant influence or joint control over the other in regards to making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties include:

- entity controlled by RUDN directly or indirectly through one or more intermediaries;
- key management personnel of the University and their close family members;
- entities on which the University can have a significant influence.

Government agencies are related parties, since they are under common control and transactions with them meet the definition of related party transactions. However, disclosure of transactions between the University and government agencies is not mandatory under IAS 24 “Related Party Disclosures”, as:

- the transactions are conducted in line with usual business relations between the parties;
- the transactions are conducted on the terms and conditions that are normal for similar transactions under these circumstances.

As at 31 December 2023 and 31 December 2022, the University's related parties included:

- the University's key management personnel;
- RUDN Development Foundation (subsidiary);
- associates.

7 Balances and Transactions with Related Parties (Continued)

The income and expense items with related parties for the year ended 31 December 2023 were as follows:

	Key management personnel of the University		
In thousands of Russian roubles	**University management**	**Academic Council**	**Supervisory Board**
Salaries and other benefits	299,190	191,170	23,153

The income and expense items with related parties for the year ended 31 December 2022 were as follows:

	Key management personnel of the University		
In thousands of Russian roubles	**University management**	**Academic Council**	**Supervisory Board**
Salaries and other benefits	259,373	180,969	21,339

There were no significant transactions with entities controlled by the University and entities, over which the University has significant influence, in 2023 and 2022.

8 Property, Plant and Equipment

Movements in the carrying amounts of property, plant and equipment for 2023 were as follows:

In thousands of Russian roubles	**Land plots**	**Residential buildings**	**Non-residential buildings**	**Plant and equipment**	**Production tools-**	**Structures**	**Motor vehicles**	**Construction in progress and advances**	**Total**
Cost									
At 31 December 2022	14,308,400	2,324,644	8,118,501	5,601,619	1,404,665	287,240	52,333	550,110	**32,647,512**
Additions	-	-	4,425	773,641	238,953	7,590	49,392	544,876	**1,618,877**
Disposals	-	-	(1,922)	(49,285)	(39,216)	-	(192)	-	**(90,615)**
Transfers	-	67,916	399,835	-	-	-	-	(467,751)	**-**
At 31 December 2023	**14,308,400**	**2,392,560**	**8,520,839**	**6,325,975**	**1,604,402**	**294,830**	**101,533**	**627,235**	**34,175,774**
Accumulated depreciation									
At 31 December 2022	-	(185,481)	(551,146)	(3,087,338)	(1,100,562)	(71,942)	(36,164)	-	**(5,032,633)**
Depreciation charge	-	(152,042)	(255,162)	(719,290)	(245,332)	(30,992)	(13,201)	-	**(1,416,019)**
Disposal of depreciation	-	-	-	49,251	39,216	-	192	-	**88,659**
At 31 December 2023	**-**	**(337,523)**	**(806,308)**	**(3,757,377)**	**(1,306,678)**	**(102,934)**	**(49,173)**	**-**	**(6,359,993)**
Carrying amount									
At 31 December 2022	14,308,400	2,139,163	7,567,355	2,514,281	304,103	215,298	16,169	550,110	**27,614,879**
At 31 December 2023	14,308,400	2,055,037	7,714,531	2,568,598	297,724	191,896	52,360	627,235	**27,815,781**

8 Property, Plant and Equipment (Continued)

Movements in the carrying amounts of property, plant and equipment for 2022 were as follows:

In thousands of Russian roubles	Land plots	Residential buildings	Non-residential buildings	Plant and equipment	Production tools-	Structures	Motor vehicles	Construction in progress and advances	Total
Cost									
At 31 December 2021	**14,308,400**	**2,054,001**	**8,049,080**	**5,111,741**	**1,170,227**	**250,339**	**54,200**	**465,852**	**31,463,840**
Additions	-	-	11,513	550,201	267,178	18,939	-	433,487	**1,281,318**
Disposals	-	-	(2,716)	(60,323)	(32,740)	-	(1,867)	-	**(97,646)**
Transfers	-	270,643	60,624	-	-	17,962	-	(349,229)	**-**
At 31 December 2022	**14,308,400**	**2,324,644**	**8,118,501**	**5,601,619**	**1,404,665**	**287,240**	**52,333**	**550,110**	**32,647,512**
Accumulated depreciation									
At 31 December 2021	**-**	**(123,654)**	**(460,120)**	**(2,423,602)**	**(875,058)**	**(45,384)**	**(30,853)**	**-**	**(3,958,671)**
Depreciation charge	-	(61,827)	(91,026)	(713,971)	(258,216)	(26,558)	(7,178)	-	**(1,158,776)**
Disposal of depreciation	-	-	-	50,235	32,712	-	1,867	-	**84,814**
At 31 December 2022	**-**	**(185,481)**	**(551,146)**	**(3,087,338)**	**(1,100,562)**	**(71,942)**	**(36,164)**	**-**	**(5,032,633)**
Carrying amount									
At 31 December 2021	**14,308,400**	**1,930,347**	**7,588,960**	**2,688,139**	**295,169**	**204,955**	**23,347**	**465,852**	**27,505,169**
At 31 December 2022	**14,308,400**	**2,139,163**	**7,567,355**	**2,514,281**	**304,103**	**215,298**	**16,169**	**550,110**	**27,614,879**

As of 31 December 2023, the University's property, plant and equipment include fixed assets under operational management with a carrying value of RR 23,667,534 thousand (31 December 2022: RR 24,192,941 thousand).

As of 31 December 2023, the University's property, plant and equipment include RR 66,605 thousand of advances issued for purchasing PP&E items (31 December 2022: RR 52,335 thousand).

9 Intangible Assets

Movements in the carrying amounts of intangible assets for 2023 were as follows:

In thousands of Russian roubles	Websites	Licences	Other	R&D in progress	Total
Cost					
At 31 December 2022	34,551	**33,325**	**99,185**	**14,291**	**181,352**
Additions	-	47,613	12,912	72,047	**132,572**
Disposals	-	(10,189)	(223)	(13,355)	**(23,767)**
Transfers	15,931	-	41,753	(57,684)	-
At 31 December 2023	50,482	**70,749**	**153,627**	**15,299**	**290,157**
Accumulated amortisation					
At 31 December 2022	(17,353)	**(19,088)**	**(31,997)**	-	**(68,438)**
Amortisation charge	(14,129)	(24,534)	(27,194)	-	**(65,857)**
Disposals	-	10,189	223	-	**10,412**
At 31 December 2023	**(31,482)**	**(33,433)**	**(58,968)**	-	**(123,883)**
Carrying amount					
At 31 December 2022	17,198	**14,237**	**67,188**	**14,291**	**112,914**
At 31 December 2023	19,000	**37,316**	**94,659**	**15,299**	**166,274**

Movements in the carrying amounts of intangible assets for 2022 were as follows:

In thousands of Russian roubles	Websites	Licences	Other	R&D in progress	Total
Cost					
At 31 December 2021	**18,838**	34,182	**52,925**	**22,899**	128,844
Additions	-	17,808	6,816	51,482	**76,106**
Disposals	(201)	(18,665)	(4,732)	-	**(23,598)**
Transfers	15,914	-	44,176	(60,090)	-
At 31 December 2022	**34,551**	33,325	**99,185**	**14,291**	181,352
Accumulated amortisation					
At 31 December 2021	**(14,190)**	(15,143)	(17,414)	-	(46,747)
Amortisation charge	(3,304)	(22,610)	(18,476)	-	**(44,390)**
Disposals	141	18,665	3,893	-	**22,699**
At 31 December 2022	**(17,353)**	**(19,088)**	**(31,997)**	-	**(68,438)**
Carrying amount					
At 31 December 2021	**4,648**	**19,039**	**35,511**	**22,899**	**82,097**
At 31 December 2022	**17,198**	**14,237**	**67,188**	**14,291**	**112,914**

10 Cash, Cash Equivalents and Bank Deposits

Cash and cash equivalents consist of cash on accounts with the Federal Treasury of the Russian Federation, bank account balances, and cash on hand. Cash and cash equivalents include the following amounts from the consolidated cash flow statement and consolidated statement of financial position:

In thousands of Russian roubles	31 December 2023	31 December 2022
Account balances with the Federal Treasury of the Russian Federation	3,059,58	62,214
Bank balances payable on demand	1,827,711	1,262,522
Cash on hand	45	63
Term deposits with original maturity of less than three months	-	40,000
Total cash and cash equivalents	**4,886,914**	**1,364,799**

In 2023, interest income on deposits placed in roubles was accrued at a rate of 6.00% to 8.45% per annum (2022: 7,15%-21.25% per annum). Interest income on deposits placed in US dollars was accrued at 0.10% per annum (2022: 0.01%-6.50% per annum). No deposits were placed in euro (2022: 3.52 % per annum).

10 Cash, Cash Equivalents and Bank Deposits (Continued)

As of 31 December 2023, no short-term deposits were placed.

As of 31 December 2022, short-term deposits with maturity of more than three months amounted to RR 2,993,887 thousand) As 31 of December 2022, deposits were placed with PJSC Gazprombank and PJSC Rosselkhozbank at the rate of 7.50% to 8.45% per annum in roubles and at the rate of 0.10% p.a. in US dollars.

Cash and equivalents are denominated in the following currencies:

In thousands of Russian roubles	**31 December 2023**	**31 December 2022**
Russian roubles	3,080,342	344,485
US dollars	904,611	324,882
Euro	462,354	348,946
Chinese yuans	439,607	346,486
Total	**4,886,914**	**1,364,799**

At 31 December 2023, the credit quality of cash and cash equivalents and term deposit balances is summarised based on Expert RA ratings as follows:

In thousands of Russian roubles	**ruAAA**	**ruAA+**	**ruAA**	**ruA+**	**Unrated**	**Total**
31 December 2023						
Bank balances payable on demand	1,342,374	28,839	456,490	8	-	**1,827,711**
Account balances with the Federal Treasury of the Russian Federation	-	-	-	-	3,059,158	**3,059,158**

At 31 December 2022, the credit quality of cash and cash equivalents and term deposit balances is summarised based on Expert RA ratings as follows:

In thousands of Russian roubles	**ruAAA**	**ruAA+**	**ruAA**	**ruA+**	**Unrated**	**Total**
31 December 2022						
Bank balances payable on demand	1,231,414	31,018	75	15	-	**1,262,522**
Account balances with the Federal Treasury of the Russian Federation	-	-	-	-	62,214	**62,214**
Term deposits with original maturity of less than three months	40,000	-	-	-	-	**40,000**
Term deposits with original maturity of more than three months	-	1,920,000	1,073,887	-	-	**2,993,887**

11 Financial Assets at Fair Value though Profit or Loss

As of 31 December 2023, financial assets at fair value through profit or loss included funds placed in precious metals under unallocated metal account agreements (hereinafter referred to as "UMA") in the amount of RR 899,194 thousand (31 December 2022: RR 703,670 thousand). These accounts do not imply physical deliveries of precious metals. UMA agreements are financial assets with an embedded inseparable derivative (hybrid contracts). Remeasurement of financial assets at fair value through profit or loss is recognised in the consolidated statement of profit or loss on a net basis within finance income or finance costs, depending on the financial result.

12 Accounts Receivable

In thousands of Russian roubles	31 December 2023	31 December 2022
Trade receivables	846,564	641,550
ECL allowance for trade receivables	(429,958)	(312,300)
Other financial receivables	201,655	225,688
ECL allowance for other financial receivables	(142,041)	(82,167)
Total financial assets within receivables	**476,220**	**472,771**
Salary advances	112	408
Prepayments	116,959	72,565
Other taxes receivable	65,634	25,689
Total receivables	**658,925**	**571,433**

The following table explains changes in the credit loss allowance for receivables under simplified ECL model between the beginning and the end of the annual period:

In thousands of Russian roubles	2023	2022
Allowance for credit losses on receivables at 1 January	**394,467**	**471,489**
Increase in provision charged to profit or loss	267,565	46,103
Provision used	(90,033)	(123,125)
Allowance for credit losses on receivables at 31 January	**571,999**	**394,467**

The University applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance for all trade and other receivables.

To measure the expected credit losses, trade and other receivables have been grouped based on the shared credit risk characteristics and days past due.

The credit loss allowance for trade and other receivables is determined according to the provision matrix presented in the table below. The provision matrix is based on the number of days that an asset is past due.

In % of gross amount	Loss rate	Gross carrying amount	Lifetime ECL
Financial receivables at 31 December 2022			
– less than 30 days overdue	4.32%	446,742	19,299
– 30 to 90 days overdue	28.81%	14,313	4,124
– 91 to 360 days overdue	56.91%	81,547	46,408
– over 360 days overdue	100.00%	324,636	324,636
Total trade receivables (gross carrying amount)		867,238	-
Credit loss allowance		**(394,467)**	-
Total contract assets (carrying amount)		472,771	-
Financial receivables at 31 December 2023			
– less than 30 days overdue	11.03%	480,359	53,077
– 30 to 90 days overdue	33.97%	15,049	5,112
– 91 to 360 days overdue	68.57%	124,087	85,086
– over 360 days overdue	100.00%	428,724	428,724
Total trade receivables (gross carrying amount)		**1,048,219**	-
Credit loss allowance		**(571,999)**	-
Total contract assets (carrying amount)		**476,220**	-

13 Other Assets and Liabilities

Included in other assets and liabilities is cash received as a collateral for applications to participate in the bids (auctions) from the procurement participants, and also as a collateral for performance of contracts signed as a result of the procurement bids.

The cash is temporarily held by the University and shall be refunded to the procurement participants to the extent of the collateral received for the applications upon the completion of the bidding process, or to the extent of the collateral received for contract performance after the contractual obligations have been fulfilled.

As of 31 December 2023, other assets comprise RR 14,664 thousand cash temporarily received by the University (31 December 2022: RR 15,010 thousand). Corresponding amounts were recognised within other liabilities.

Restricted cash is placed with the Russian Federal Treasury. The amount is neither past due nor impaired. The carrying amount of restricted cash approximates its fair value.

Other assets also comprise receivables in the form of cash deposited by the University as performance security or as security deposit for tenders.

These receivables are neither past due nor impaired, and as of 31 December 2023, amounted to RR 224 thousand (31 December 2022: RR 9,023 thousand).

14 Settlements with the Founder

Settlements with the founder include the following components of the book value: immovable and highly valuable movable assets, land plots under unlimited use and construction in progress. Highly valuable movable property is movable property that is acquired at the expense of the government funding sources and the value of which is more than RR 500 thousand.

15 Accounts Payable

In thousands of Russian roubles	**31 December 2023**	**31 December 2022**
Trade payables	79,224	94,425
Other financial payables	69,078	66,508
Total financial payables	**148,302**	**160,933**
Salaries payable	936,333	835,872
Trade and other payables at 31 December	**1,084,635**	**996,805**

As of 31 December 2023, salaries payable include RR 730,302 thousand of liabilities accrued for deferred leave allowances payable within 12 months after the reporting date and RR 182,575 thousand of contributions payable for obligatory social insurance (31 December 2022: RR 651,653 thousand and RR 162,913 thousand, respectively).

Refer to Note 29 for disclosure of the fair value of each class of other financial liabilities.

16 Contract Liabilities with Counterparties

In thousands of Russian roubles	**31 December 2023**	**31 December 2022**
Contract liabilities related to primary activity	2,497,010	2,293,047
Other contract liabilities	152,752	57,040
Total	**2,649,762**	**2,350,087**

Other contract liabilities include advances received under lease agreements.

17 Revenues from Primary Activity

In thousands of Russian roubles	2023	2022
Main fee-based educational programmes	7,442,385	6,679,290
Educational services provided under the public contract	4,772,827	4,008,741
Fee-based additional educational programmes	1,354,632	1,180,173
Research and development services	477,729	179,142
Students' accommodation in the dormitory and additional dormitory services	393,723	346,042
Healthcare services	277,668	211,464
Research and development services under the public contract	677,703	502,059
Total	**15,396,667**	**13,106,911**

Revenues from primary activity are recognised over time, except for revenue from the following activities recognised at a point in time based on acts of work performed: research and development services under the public contract and research and development services.

18 Income from Grants

In thousands of Russian roubles	2023	2022
Grants and donations for scholarships	652,225	577,575
Grants for capital investments	390,790	9,970
Grants in the form of government support to R&D, project implementation and development programmes	204,000	147,100
Grants for the University development	100,000	100,000
RSF and RFBR grants	185,357	108,639
Other	108,401	66,694
Total	**1,640,773**	**1,009,978**

19 Other Income

The University recognised income from leasing out properties of RR 133,601 thousand within other income (2022: RR 141,887 thousand).

20 Employee Benefits Expense and Other Personnel Costs

In thousands of Russian roubles	2023	2022
Salaries	8,339,704	7,131,814
Social insurance contributions accrued	2,129,035	1,767,660
Unused vacation provision expenses	1,046,429	853,353
Compensation under civil contracts	85,450	88,093
Other payments	26,378	25,397
Total	**11,626,996**	**9,866,317**

21 Third Party Services

In thousands of Russian roubles	2023	2022
Property maintenance services	640,748	360,060
Acquisition of rights to use software and databases	210,385	205,902
Utilities	209,138	137,864
Transport services	184,125	63,277
Current repairs of property, plant and equipment	142,202	430,144
Security and fire safety services	140,131	82,989
Telecommunications services	43,516	21,520
Advertising services	29,195	27,479
R&D expenses	24,629	22,681
Legal, audit and consulting services	21,187	32,358
Other services	566,760	376,588
Total	**2,212,016**	**1,760,862**

22 Taxes and Levies

In thousands of Russian roubles	2023	2022
Land tax	101,402	76,186
Property tax	79,106	78,533
Other taxes	3,721	2,673
Total	**184,229**	**157,392**

23 Income Taxes

(a) Components of income tax expense.

Income tax expense recorded in profit or loss for the year comprises the following:

In thousands of Russian roubles	2023	2022
Current tax	(516,460)	(142,313)
Deferred tax	(51,699)	(78,259)
Income tax expense for the year	**(568,159)**	**(220,572)**

(b) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate.

The income tax rate applicable to the University's income in 2023 and 2022 is 20%. A reconciliation between the expected and the actual taxation charge is provided below.

In thousands of Russian roubles	2023	2022
Profit before tax	**852,871**	**602,668**
Theoretical income tax charge at statutory rate of 20%:	170,574	120,534
Tax effect of items which are not deductible or assessable for taxation purposes and other effects	397,585	100,038
Income tax expense for the year	**568,159**	**220,572**

(c) Deferred taxes analysed by type of temporary differences.

Differences between the IFRS Accounting Standards and statutory taxation regulations in Russia give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases.

Tax effect of the movements in the temporary differences for the year ended 31 December 2023:

In thousands of Russian roubles	31 December 2022	Credited/(charged) to profit or loss	31 December 2023
Tax effect of deductible/(taxable) temporary differences			
Property, plant and equipment	(162,572)	(87,206)	(249,778)
Accounts receivable	78,893	35,507	114,400
Net deferred tax liability	**(83,679)**	**(51,699)**	**(135,378)**
Recognised deferred tax liability	(83,679)	(51,699)	(135,378)
Net deferred tax liability	**(83,679)**	**(51,699)**	**(135,378)**

Tax effect of the movements in the temporary differences for the year ended 31 December 2022:

In thousands of Russian roubles	31 December 2021	Credited/(charged) to profit or loss	31 December 2022
Tax effect of deductible/(taxable) temporary differences			
Property, plant and equipment	(99,477)	(63,095)	(162,572)
Accounts receivable	94,057	(15,164)	78,893
Net deferred tax liability	**(5,420)**	**(78,259)**	**(83,679)**
Recognised deferred tax liability	(5,420)	(78,259)	(83,679)
Net deferred tax liability	**(5,420)**	**(78,259)**	**(83,679)**

24 Finance Income

In thousands of Russian roubles	**2023**	**2022**
Income from revaluation of precious metals	195,524	-
Interest income	145,049	425,907
Total	**340,573**	**425,907**

25 Foreign Exchange Translation Differences, Net

In thousands of Russian roubles	**2023**	**2022**
Foreign exchange gains from revaluation of receivables and payables	1,584,167	3,497,382
Foreign exchange losses from revaluation of receivables and payables	(1,573,979)	(3,493,398)
Foreign exchange gains from cash and deposits	2,040,177	2,757,330
Foreign exchange losses from cash and deposits	(1,648,394)	(2,762,177)
Total	**401,971**	**(863)**

26 Financial Risk Management

The risk management function within the University is carried out in respect of financial, operational and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise these risks.

Market risk. The University takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets (term deposits) and (c) precious metals, all of which are exposed to general and specific market movements. The University's management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside these limits in the event of more significant market movements.

Currency risk. In respect of currency risk, the University sets limits on the level of exposure by currency and on foreign-currency assets as a whole. The aforementioned positions are monitored monthly.

The table below summarises the University's exposure to currency risk at the end of the reporting period:

	31 December 2023			**31 December 2022**		
In thousands of Russian roubles	**US dollars**	**Euro**	**Chinese yuans**	**US dollars**	**Euro**	**Chinese yuans**
Cash and cash equivalents	904,611	462,354	439,607	324,882	348,946	346,486
Bank deposits	-	- -	- -	353,887	-	-
Trade receivables	484	626	-	39,333	11,801	-
Other financial receivables	-	-	-	-	2,113	-
Total financial assets / Net balance sheet position	**905,095**	**462,980**	**439,607**	**718,102**	**362,860**	**346,486**

The following table analyses sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the University, with all other variables held constant:

	31 December 2023		**31 December 2022**	
In thousands of Russian roubles	**Impact on profit or loss**	**Impact on equity**	**Impact on profit or loss**	**Impact on equity**
US dollar strengthening by 10%	90,510	90,510	71,810	71,810
Euro strengthening by 10%	46,298	46,298	36,286	36,286
Chinese yuan strengthening by 10%	43,961	43,961	34,649	34,649
US dollar weakening by 10%	(90,510)	(90,510)	(71,810)	(71,810)
EUR weakening by 10%	(46,298)	(46,298)	(36,286)	(36,286)
Chinese yuan weakening by 10%	(43,961)	(43,961)	(34,649)	(34,649)

26 Financial Risk Management (Continued)

The exposure was calculated only for monetary assets and liabilities denominated in currencies other than the functional currency of the University.

Interest rate risk The University takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may decrease in the event that unexpected movements arise.

Other price risk. The University is exposed to the risk of changes in the price of precious metals (gold, silver, platinum, palladium). The University's management controls and authorises transactions with financial instruments. If precious metals prices were 20% lower at 31 December 2023, profit for the year would be RR 179,839 thousand lower, with other variables held constant.

Credit risk. The University exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligation.

Exposure to credit risk arises as a result of the University's lending and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The University's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the consolidated statement of financial position and is as follows:

In thousands of Russian roubles	Note	31 December 2023	31 December 2022
Trade and other receivables			
Trade receivables	12	416,606	329,250
Other financial receivables	12	59,614	143,521
Cash and cash equivalents			
Term deposits with original maturity of less than three months	10	-	40,000
Bank balances payable on demand	10	1,827,711	1,262,522
Bank deposits	10	-	2,993,887
Financial assets at fair value though profit or loss	11	899,194	703,670
Total maximum exposure to credit risk	10	**3,203,125**	**5,472,850**

Expected credit loss (ECL) measurement. ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes.

ECL measurement is based on four components used by the University: Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD") and Discount Rate.

The ECLs that are estimated by management for the purposes of these consolidated financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider forward-looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

The University applies the IFRS 9 simplified approach to measuring ECLs, which uses a lifetime expected loss allowance for all trade and other receivables and contract assets.

For purposes of measuring PD, the University defines default as a situation when the exposure meets one or more of the following criteria:

- the counterparty is more than 90 days past due on its contractual payments;
- the counterparty meets the unlikeliness-to-pay criteria.

26 Financial Risk Management (Continued)

For purposes of disclosure, the University fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the University.

The level of ECL that is recognised in these consolidated financial statements depends on whether the credit risk of the counterparty has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1).

If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The consequence of an asset being in Stage 3 is that the University ceases to recognise interest income based on gross carrying value and applies the asset's effective interest rate to the carrying amount, net of ECL, when calculating interest income.

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future year during the lifetime period for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the financial asset has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Management of the University developed the credit policy and consistently monitors its credit risks in respect of receivables. Trade receivables are represented by high number of counterparties, most of them being students and other trainees. The University makes continuous assessment of its debtors' creditworthiness and, if required, creates allowance for expected credit losses. The University mitigates its credit risk by entering into agreements on provision of educational services with students on prepayment basis, and through a systematic analysis of receivables deciding whether the students with outstanding tuition fee should be expelled.

The University's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances.

Liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The University is exposed to daily calls on its available cash resources from financial instruments. Liquidity risk is managed by the University's management. The University's management monitors cash flow projections on a monthly basis.

The maturity analysis of financial liabilities as at 31 December 2023 is as follows:

In thousands of Russian roubles	**Note**	**Demand and less than 1 month**	**From 1 to 3 months**	**From 3 to 12 months**	**From 12 months to 5 years**	**Total**
Liabilities						
Trade payables	15	79,224	-	-	-	**79,224**
Other financial payables	15	69,078	-	-	-	**69,078**
Other liabilities	13	9,339	-	-	-	**9,339**
Total future payments, including future principal and interest payments		**157,641**	**-**	**-**	**-**	**157,641**

26 Financial Risk Management (Continued)

The maturity analysis of financial liabilities at 31 December 2022 is as follows:

In thousands of Russian roubles	Note	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	Total
Liabilities						
Trade payables	15	94,425	-	-	-	**94,425**
Other financial payables	15	66,508	-	-	-	**66,508**
Other liabilities	13	15,010	-	-	-	**15,010**
Total future payments, including future principal and interest payments		**175,943**	**-**	**-**	**-**	**175,943**

27 Contingencies and Commitments

Legal proceedings. The University is a defendant in several lawsuits. The University's management believes that these lawsuits will not lead to any significant cash outflow.

Tax contingencies. Russian tax legislation which was enacted or substantively enacted at the end of the reporting period is subject to varying interpretations when being applied to the transactions and activities of the University. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose, or with tax non-compliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

As Russian tax legislation does not provide definitive guidance in certain areas, the University adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the University. While management of the University currently believes that it is probable that the tax positions and interpretations that it has taken can be sustained, there is a risk that outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant for the financial position and/or overall operations of the University.

Capital expenditure commitments. As at 31 December 2023, the University had contractual commitments to purchase property, plant and equipment for a total of RR 337,534 thousand (31 December 2022: RR 193,939 thousand).

28 Management of Capital

The University's objectives when managing capital are to safeguard the University's ability to continue as a going concern, respect the interests of the founder and maintain an optimal capital structure. To maintain and control the capital structure, the University carries out its activities in accordance with the approved business plan. The amount of capital that the University managed at 31 December 2023 was RR 30,250,370 thousand (31 December 2022: RR 29,965,658 thousand).

29 Fair Value Disclosures

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

Recurring fair value measurements are those that the accounting standards require or permit in the consolidated statement of financial position at the end of each reporting period. Recurring fair value measurements of financial assets at FVTPL represented by funds placed in precious metals under UMA agreements are categorised into Level 1 of the fair value hierarchy.

As at 31 December 2023 and 31 December 2022, the carrying amounts of these financial instruments such as cash (Level 1), cash equivalents and bank deposits (Level 2), trade and other receivables, trade and other payables (Level 3) do not differ significantly from their fair values. The fair value of financial assets is measured at net present value of estimated future cash flows. The University also takes into account liquidity, credit and market risk factors and adjusts the measurement model if necessary.

30 Events after the Reporting Period

On 27 April 2024, the University's Supervisory Board approved the proposal to set up a branch of the Peoples' Friendship University of Russia named after Patrice Lumumba due to the University's restructuring, where V.V. Vinogradov Clinical Hospital, a federal state budgetary healthcare institution, would be merged into the University.

The University's restructuring through the merger with V.V. Vinogradov Clinical Hospital began on 31 May 2024 in accordance with Order No. 372 of the Russian Ministry of Science and Higher Education "On restructuring of Peoples' Friendship University of Russia named after Patrice Lumumba and V.V. Vinogradov Clinical Hospital".